

West Central Community School District

Independent Auditor's Reports
Basic Financial Statements
And Supplementary Information
Schedule of Findings

June 30, 2009

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West Central Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

(Before September 2008 Election)

Jack Williams	President	2009
Chad Ingels	Vice President	2010
Alan Albrecht	Board Member	2009
Brent Sharff	Board Member	2009
Charlie Barry	Board Member	2008

Board of Education

(After September 2008 Election)

Jack Williams	President	2011
Chad Ingels	Vice President	2010
Alan Albrecht	Board Member	2009
Brent Sharff	Board Member	2009
Charlie Barry	Board Member	2011

School Officials

Jim Patera	Superintendent	2009
Kim Arndt	District Secretary/Business Manager	2009
Brian Gruhn	Attorney	2009

Independent Auditor's Report

To the Board of Education of
West Central Community School District:

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Central Community School District, Maynard, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. My responsibility is to express an opinion on these financial statements based on my audit.

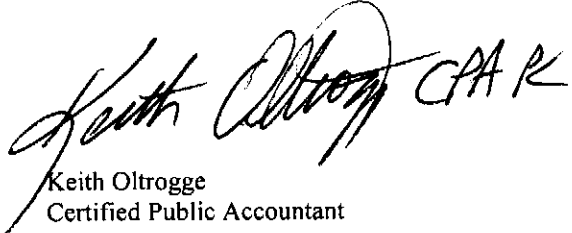
I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Central Community School District at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated January 25, 2010 on my consideration of West Central Community School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis and Budgetary Comparison Information on pages 4 through 12 and 33 through 34 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Central Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the five years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Keith Oltrogge
Certified Public Accountant

January 25, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

West Central Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$3,017,524 in fiscal 2008 to \$3,122,812 in fiscal 2009, while General Fund expenditures decreased from \$2,970,402 in fiscal 2008 to \$2,897,932 in fiscal 2009. The District's General Fund balance increased from \$751,103 in fiscal year 2008 to \$975,983 in fiscal year 2009, a 23.1% increase.
- The increase in General Fund revenues was attributable to an increase in local, state and federal grant revenue in fiscal year 2009. The decrease in expenditures was due primarily to a decrease in the spending in support services.
- The District's solvency ratio has increased from 24.5% at June 30, 2008 to 32.3% at June 30, 2009. The District's solvency level indicates the District is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term debt obligations.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of West Central Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report West Central Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which West Central Community School District acts solely as an agent or custodian for the benefit of those outside of County government.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the non-major Special Revenue Funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
West Central Community School District Annual Financial Report

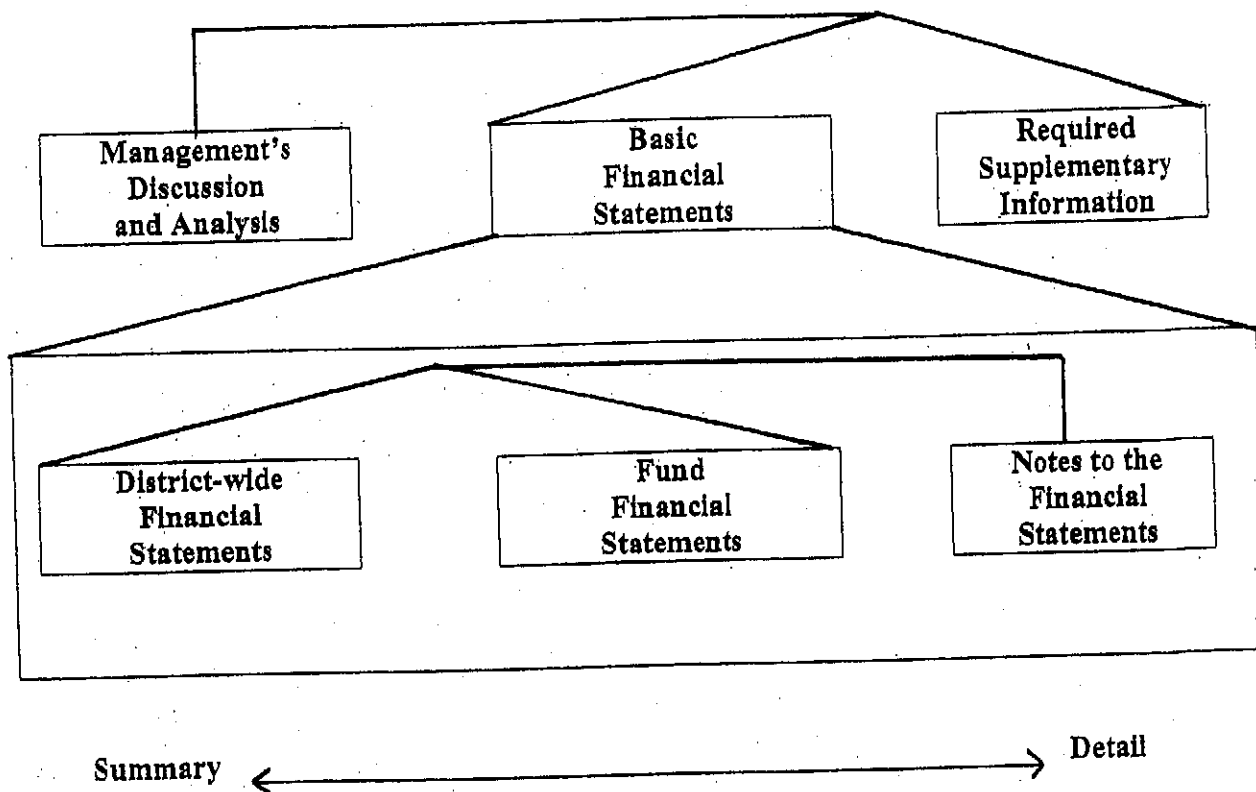


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of net assets	Balance sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of revenues, expenses and changes in fund net assets	Statement of changes in fiduciary net assets
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long- term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long- term	All assets and liabilities, both short- term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has one Enterprise Fund, the School Nutrition Fund.

The required financial statements for proprietary funds include a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include a Private-Purpose Trust Fund.

- Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds includes a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Reconciliation between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2009 compared to June 30, 2008.

Figure A-3
Condensed Statement of Net Assets

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2009	2008	2009	2008	2009	2008	2008-2009
Current and other assets	\$3,530,426	\$3,967,906	\$9,010	\$16,812	\$3,539,436	\$3,984,718	-\$445,282
Capital assets	943,572	891,292	9,020	11,021	952,592	902,313	50,279
Total assets	\$4,473,998	\$4,859,198	\$18,030	\$27,833	\$4,492,028	\$4,887,031	-\$395,003
Long-term liabilities	\$87,987	\$71,480	\$-	\$-	\$87,987	\$71,480	\$16,507
Other liabilities	1,687,345	2,480,516	2,327	2,111	1,689,672	2,482,627	-792,955
Total liabilities	\$1,775,332	\$2,551,996	\$2,327	\$2,111	\$1,777,659	\$2,554,107	-\$776,448
Net assets:							
Invested in capital assets, net of related debt	\$911,518	\$828,348	\$9,020	\$11,021	\$920,538	\$839,369	\$81,169
Restricted	442,241	752,420	-	-	442,241	752,420	-310,179
Unrestricted	1,344,907	726,434	6,683	14,701	1,351,590	741,135	610,455
Total net assets	\$2,698,666	\$2,307,202	\$15,703	\$25,722	\$2,714,369	\$2,332,924	\$381,445

The District's combined net assets increased by nearly 8.9%, or approximately \$81,000, over the prior year. The largest portion of the District's net assets is in the "invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt". The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets decreased by approximately \$310,000, or 41.3% over the prior year. The increase was primarily a result of increased revenue in the Capital Projects Fund.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately \$610,000, or 45.2%. This increase in unrestricted net assets was a result of the District's increased revenues from tuition and other local sources.

Figure A-4 shows the change in net assets for the year ended June 30, 2009.

Figure A-4
Changes in Net Assets

	Governmental Activities	Business Type Activities	Total District
Revenues:			
Program revenues:			
Charges for service	\$271,958	\$88,376	\$360,334
Operating grants, contributions and restricted interest	450,038	58,738	508,776
Capital grants, contributions and restricted interest	-	-	-
General revenues:			
Property tax	1,511,944	-	1,511,944
Local option sales and services tax	188,430	-	188,430
Unrestricted state grants	1,157,207	-	1,157,207
Unrestricted investment earnings	58,181	213	58,394
Other	33,059	-	33,059
Total revenues	\$3,670,817	\$147,327	\$3,818,144
Program expenses:			
Governmental activities:			
Instruction	\$2,262,074	\$-	\$2,262,074
Support services	880,213	-	880,213
Non-instructional programs	-	157,346	157,346
Other expenses	137,066	-	137,066
Total expenses	\$3,279,353	\$157,346	\$3,436,699
Change in net assets	\$391,464	-\$10,019	\$381,445

Property tax and unrestricted state grants account for 70% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 91% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$3,670,817 and expenses were \$3,279,353. In a difficult budget year, the District was able to balance the budget by trimming expenses to match available revenues.

The following table presents the total and net cost of the District's governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-5
**Total and Net Cost of
Governmental Activities**

	Total Cost of Services	Net Cost of Services
Instruction	\$2,262,074	\$1,542,166
Support services	880,213	878,125
Non-instructional programs	-	-
Other expenses	137,066	137,066
Totals	\$3,279,353	\$2,557,357

- The cost financed by users of the District's programs was \$360,336.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$508,776.
- The net cost of governmental activities was financed with \$1,700,374 in property and other taxes and \$1,157,207 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$147,327 and expenses were \$157,346. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, West Central Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,844,085 well above last year's ending fund balances of \$1,489,362.

Governmental Fund Highlights

- The District's improving General Fund financial position is the result of many factors. Growth during the year in tax and grants resulted in an increase in revenues.
- The General Fund balance increased from \$751,103 to \$975,983, due in part to the increased revenue.
- The Physical Plant and Equipment Levy (PPEL) Fund balance increased from \$226,171 in fiscal 2008 to \$260,179 in fiscal 2009.
- The Capital Projects Fund balance increased from \$341,312 to \$407,159 at June 30, 2009, representing an increase of approximately 6%.

Proprietary Fund Highlights

School Nutrition Fund net assets decreased from \$25,722 at June 30, 2008 to \$15,703 at June 30, 2009, representing a decrease of approximately 39%.

BUDGETARY HIGHLIGHTS

The District's revenues were \$16,111 less than budgeted revenues, a variance of .4%. The most significant variance resulted from the District receiving less in Federal aid than originally anticipated.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had invested \$952,592, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 5.3% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was \$130,748.

The original cost of the District's capital assets was \$3,628,695. Governmental funds account for \$3,604,694, with the remainder of \$24,011 accounted for in the Proprietary, School Nutrition Fund.

Figure A-6
Capital Assets, net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2009	2008	2009	2008	2009	2008	2008-2009
Land	\$62,506	\$62,506	\$-	\$-	\$62,506	\$62,506	\$-
Buildings	517,392	474,657	-	-	517,392	474,657	42,735
Improvement other than buildings	109,690	33,920	-	-	109,690	33,920	75,770
Furniture and equipment	253,984	320,209	9,020	11,021	263,004	331,230	-68,226
Totals	\$943,572	\$891,292	\$9,020	\$11,021	\$952,592	\$902,313	\$50,279

Long-Term Debt

At June 30, 2009, the District had \$87,987 in other long-term debt outstanding. This represents an increase of approximately 19% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

Figure A-7
Outstanding Long-term Obligations

	Total District		Total Change
	June 30,		June 30,
	2009	2008	2008-2009
Notes payable	\$32,054	\$62,944	-\$30,890
Early retirement	55,933	8,536	47,397
Totals	\$87,987	\$71,480	\$16,507

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future.

- Fayette County has advised the District that the District's total taxable valuation will remain about the same for property tax collected in fiscal 2009.
- The District has experienced declining enrollment for the past three years and expects that trend to continue.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kim Arndt, the District Secretary/Business Manager, West Central Community School District, 305 Pember Street, Maynard IA 50655.

Basic Financial Statements

West Central Community School District

Statement of Net Assets

June 30, 2009

	Govern- mental Activities	Business Type Activities	Total
Assets			
Cash and Cash Equivalents:			
Other	\$ 1,807,935	\$ 4,407	\$ 1,812,342
Receivables:			
Property tax:			
Delinquent	20,128	-	20,128
Succeeding year	1,472,312	-	1,472,312
Accounts	58,379	586	58,965
Accrued interest:			
ISCAP	5,082	-	5,082
Due from other governments	166,590	-	166,590
Inventories	-	4,017	4,017
Capital assets, net of accumulated depreciation	943,572	9,020	952,592
Total Assets	\$ 4,473,998	\$ 18,030	\$ 4,492,028
Liabilities			
Accounts payable	\$ 60,648	\$ -	\$ 60,648
Salaries and benefits payable	43,375	431	43,806
Accrued interest	1,004	-	1,004
Deferred revenue-succeeding year property tax	1,472,312	-	1,472,312
Deferred revenue-other	110,006	1,896	111,902
Long-term liabilities:			
Portion due within one year:			
Note payable	32,054	-	32,054
Early retirement	16,433	-	16,433
Portion due after one year:			
Early retirement	39,500	-	39,500
Total Liabilities	\$ 1,775,332	\$ 2,327	\$ 1,777,659
Net Assets			
Invested in capital assets, net of related debt	\$ 911,518	\$ 9,020	920,538
Restricted for:			
Categorical funding	37,231	-	37,231
Management levy	79,941	-	79,941
Physical plant and equipment levy	260,179	-	260,179
Other special revenue purposes	64,890	-	64,890
Unrestricted	1,344,907	6,683	1,351,590
Total Net Assets	\$ 2,698,666	\$ 15,703	\$ 2,714,369

West Central Community School District

Statement of Activities

Year Ended June 30, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs				
Governmental Activities:				
Instruction:				
Regular instruction	\$ 1,444,917	\$ 130,486	\$ 379,984	\$ -
Special instruction	343,378	46,085	68,091	-
Other instruction	473,779	95,262	-	-
	<u>\$ 2,262,074</u>	<u>\$ 271,833</u>	<u>\$ 448,075</u>	<u>\$ -</u>
Support Services:				
Student services	\$ 49,080	\$ -	\$ 1,963	\$ -
Instructional staff services	82,881	-	-	-
Administration services	348,888	-	-	-
Operation and maintenance of plant services	240,375	-	-	-
Transportation services	158,989	125	-	-
	<u>\$ 880,213</u>	<u>\$ 125</u>	<u>\$ 1,963</u>	<u>\$ -</u>
Other Expenditures:				
Facilities acquisition	\$ 13,123	\$ -	\$ -	\$ -
Long-term debt interest	1,399	-	-	-
AEA flow-through	122,544	-	-	-
	<u>\$ 137,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Governmental Activities	<u>\$ 3,279,353</u>	<u>\$ 271,958</u>	<u>\$ 450,038</u>	<u>\$ -</u>
Business Type Activities:				
Non-Instructional Programs:				
Food service operations	\$ 157,346	\$ 88,376	\$ 58,738	\$ -
Total	<u>\$ 3,436,699</u>	<u>\$ 360,334</u>	<u>\$ 508,776</u>	<u>\$ -</u>

Net (Expense) Revenue
And Changes in Net Assets

Governmental Activities		Business Type Activities		Total
\$	-934,447	\$	-	\$ -934,447
	-229,202		-	-229,202
	-378,517		-	-378,517
\$	-1,542,166	\$	-	\$ -1,542,166
<hr/>				
\$	-47,117	\$	-	\$ -47,117
	-82,881		-	-82,881
	-348,888		-	-348,888
	-240,375		-	-240,375
	-158,864		-	-158,864
\$	-878,125	\$	-	\$ -878,125
<hr/>				
\$	-13,123	\$	-	\$ -13,123
	-1,399		-	-1,399
	-122,544		-	-122,544
\$	-137,066	\$	-	\$ -137,066
<hr/>				
\$	-2,557,357	\$	-	\$ -2,557,357
<hr/>				
\$	-	\$	-10,232	\$ -10,232
<hr/>				
\$	-2,557,357	\$	-10,232	\$ -2,567,589

West Central Community School District

Statement of Activities

Year Ended June 30, 2009

	Program Revenues		
	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Expenses			

General Revenues:

Property Tax Levied For:
 General purposes
 Capital outlay
Local option sales and services tax
Unrestricted state grants
Unrestricted investment earnings
Other

Total General Revenues

Change in net assets
Net assets beginning of year

Net Assets End of Year

See notes to financial statements.

Net (Expense) Revenue
And Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ 1,368,317	\$ -	\$ 1,368,317
143,627	-	143,627
188,430	-	188,430
1,157,207	-	1,157,207
58,181	213	58,394
33,059	-	33,059
<hr/>		
\$ 2,948,821	\$ 213	\$ 2,949,034
<hr/>		
\$ 391,464	\$ -10,019	\$ 381,445
2,307,202	25,722	2,332,924
<hr/>		
\$ 2,698,666	\$ 15,703	\$ 2,714,369
<hr/>		

West Central Community School District

Balance Sheet
Governmental Funds

June 30, 2009

	General	Capital Projects	Non-major Special Revenue	Total
Assets				
Cash and Pooled Investments:				
Other	\$ 988,385	\$ 361,639	\$ 457,911	\$ 1,807,935
Receivables:				
Property Tax:				
Delinquent	17,090	-	3,038	20,128
Succeeding year	1,221,627	-	250,685	1,472,312
Accounts	1,988	56,230	161	58,379
Accrued interest:				
ISCAP	5,082	-	-	5,082
Due from other governments	133,766	-	32,824	166,590
Total Assets	\$ 2,367,938	\$ 417,869	\$ 744,619	\$ 3,530,426
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 49,771	\$ 10,710	\$ 167	\$ 60,648
Salaries and benefits payable	43,375	-	-	43,375
Deferred Revenue:				
Succeeding year property tax	1,221,627	-	250,685	1,472,312
Other current liabilities	77,182	-	32,824	110,006
Total Liabilities	\$ 1,391,955	\$ 10,710	\$ 283,676	\$ 1,686,341
Fund Balances:				
Reserved for:				
Categorical funding	\$ 37,231	\$ -	\$ -	\$ 37,231
Unreserved	938,752	407,159	460,943	1,806,854
Total Fund Balances	\$ 975,983	\$ 407,159	\$ 460,943	\$ 1,844,085
Total Liabilities and Fund Balances	\$ 2,367,938	\$ 417,869	\$ 744,619	\$ 3,530,426

See notes to financial statements.

West Central Community School District
Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Assets

June 30, 2009

Total fund balances of governmental funds (page 16)	\$ 1,844,085
 <i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds	943,572
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds	-1,004
Long-term liabilities, including notes payable and early retirement, are not due and payable in the current period and, therefore, are not reported in the funds	<u>-87,987</u>
Net assets of governmental activities (page 13)	<u>\$ 2,698,666</u>

West Central Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended June 30, 2009

	General	Capital Projects	Non-Major Special Revenue	Total
Revenues:				
Local Sources:				
Local tax	\$ 1,267,148	\$ 188,430	\$ 244,796	\$ 1,700,374
Tuition	169,811	-	-	169,811
Other	78,719	3,137	111,531	193,387
Intermediate sources	-	-	-	-
State sources	1,487,596	-	111	1,487,707
Federal sources	119,538	-	-	119,538
Total Revenues	\$ 3,122,812	\$ 191,567	\$ 356,438	\$ 3,670,817
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 1,329,214	\$ -	\$ 11,287	\$ 1,340,501
Special instruction	340,509	-	-	340,509
Other instruction	382,856	-	89,065	471,921
	\$ 2,052,579	\$ -	\$ 100,352	\$ 2,152,931
Support Services:				
Student services	\$ 8,285	\$ -	\$ 47,924	\$ 56,209
Instructional staff services	75,367	-	7,514	82,881
Administration services	344,019	-	-	344,019
Operation and maintenance of plant services	194,380	-	39,974	234,354
Transportation services	100,758	-	23,094	123,852
	\$ 722,809	\$ -	\$ 118,506	\$ 841,315
Other Expenditures:				
Facilities acquisition	\$ -	\$ 125,720	\$ 40,327	\$ 166,047
Principal	-	-	30,890	30,890
Interest	-	-	2,367	2,367
AEA flow-through	122,544	-	-	122,544
	\$ 122,544	\$ 125,720	\$ 73,584	\$ 321,848
Total Expenditures	\$ 2,897,932	\$ 125,720	\$ 292,442	\$ 3,316,094
Excess (deficiency) of revenues over (under) expenditures	\$ 224,880	\$ 65,847	\$ 63,996	\$ 354,723
Fund balances beginning of year	\$ 751,103	\$ 341,312	\$ 396,947	\$ 1,489,362
Fund Balances End of Year	\$ 975,983	\$ 407,159	\$ 460,943	\$ 1,844,085

West Central Community School District

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances – Governmental Funds
To the Statement of Activities**

Year Ended June 30, 2009

Net change in fund balances – total governmental funds (page 18) \$ 354,723

***Amounts reported for governmental activities in the Statement of Activities are
different because:***

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, these costs are not reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 193,464	
Depreciation expense	-128,747	
Gain on disposal of assets	<u>-12,437</u>	52,280

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments, as follows:

Repaid	30,890
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	<u>-47,397</u>
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Change in Net Assets of Governmental Activities (page 15)

\$ 391,464

West Central Community School District

Statement of Net Assets
Proprietary Fund

June 30, 2009

	School Nutrition
Assets	
Cash and cash equivalents	\$ 4,407
Accounts receivable	586
Inventories	4,017
Capital assets, net of accumulated depreciation	9,020
Total Assets	<u>\$ 18,030</u>
Liabilities	
Salaries and benefits payable	\$ 431
Deferred revenue	1,896
Total Liabilities	<u>\$ 2,327</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 9,020
Unrestricted	6,683
Total Net Assets	<u>\$ 15,703</u>

West Central Community School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund

Year Ended June 30, 2009

	School Nutrition
Operating revenues:	
Local sources:	
Charges for service	\$ 88,376
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 57,886
Benefits	8,430
Purchased services	1,009
Supplies	88,020
Depreciation	2,001
Total operating expenses	\$ 157,346
Operating loss	\$ -68,970
Non-operating revenues:	
State sources	\$ 1,620
Federal sources	57,118
Interest income	213
Total non-operating revenues	\$ 58,951
Change in net assets	\$ -10,019
Net assets beginning of year	25,722
Net Assets End of Year	\$ 15,703

West Central Community School District

Statement of Cash Flows
Proprietary Fund

Year Ended June 30, 2009

	School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 88,142
Cash paid to employees for services	-65,891
Cash paid to suppliers for goods or services	-82,348
Net cash used by operating activities	<u>\$ -60,097</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 1,620
Federal grants received	49,925
Net cash provided by non-capital financing activities	<u>\$ 51,545</u>
Cash flows from investing activities:	
Interest on investments	<u>\$ 213</u>
Net decrease in cash and cash equivalents	\$ -8,339
Cash and cash equivalents beginning of year	<u>12,746</u>
Cash and Cash Equivalents End of Year	<u>\$ 4,407</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ -68,970
Adjustments to reconcile operating loss to net cash used by operating activities:	
Commodities used	7,194
Depreciation	2,001
(Increase) in inventories	-485
(Increase) in accounts receivable	-53
(Decrease) in accounts payable	-27
Increase in salaries and benefits payable	424
(Decrease) in deferred revenue	<u>-181</u>
Net Cash Used by Operating Activities	<u>\$ -60,097</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2009, the District received \$7,194 of federal commodities.

West Central Community School District

Statement of Fiduciary Net Assets
Fiduciary Fund

June 30, 2009

	Private Purpose Trust <u>Scholarship</u>
Assets	
Cash and pooled investments	\$ <u>5,259</u>
Liabilities	
Accounts payable	\$ <u>-</u>
Net Assets	
Reserved for scholarships	\$ <u>5,259</u>

West Central Community School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund

Year Ended June 30, 2009

	Private Purpose Trust <u>Scholarship</u>
Additions:	
Local sources:	
Gifts and contributions	\$ 2,946
Interest income	41
Total additions	<u>\$ 2,987</u>
Deductions	
Support services:	
Supplies	<u>\$ 1,065</u>
Change in net assets	\$ 1,922
Net assets beginning of year	<u>3,337</u>
Net Assets End of Year	<u>\$ 5,259</u>

West Central Community School District

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies

West Central Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the Cities of Maynard, Westgate and Randalia, Iowa and portions of the predominately agricultural territory in Fayette County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U. S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, West Central Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. West Central Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary funds of the District apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2008.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20 – 50 years
Furniture and equipment	5 – 15 years

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and a charter school grant that will be recognized in fiscal 2009.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest Rate Risk - The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

(3) Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2009 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Physical Plant and Equipment Levy	\$ 33,257

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(4) Iowa School Cash Anticipation Program (ISCAP)

The District participates in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants, which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings and amounts available for withdrawal for each outstanding series of warrants. Bankers Trust Co. NA is the trustee for the program. A summary of the District's participation in ISCAP at June 30, 2009 is as follows:

Series	Warrant Date	Final Warrant Maturity	Investments	Accrued Interest Receivable	Warrants Payable	Accrued Interest Payable	Unamortized Premiums
2008-09A	6/25/09	6/23/10	\$ -	\$ 5,082	\$ -	\$ -	\$ -

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts. In addition, the District must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. The District did not have any advances for the ended June 30, 2009.

The warrants bear interest and the available proceeds of the warrants are invested at the interest rates shown below:

Series	Interest Rates on Warrants	Interest Rates on Investments
2008-09A	3.50%	3.469%

(5) Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 62,506	\$ -	\$ -	\$ 62,506
Total capital assets not being depreciated	\$ 62,506	\$ -	\$ -	\$ 62,506
Capital assets being depreciated:				
Buildings	\$ 1,392,162	\$ 70,976	\$ -	\$ 1,463,138
Improvements other than buildings	40,442	81,948	-	122,390
Furniture and equipment	1,953,430	40,540	37,310	1,956,660
Total capital assets being depreciated	\$ 3,386,034	\$ 193,464	\$ 37,310	\$ 3,542,188
Less accumulated depreciation for:				
Buildings	\$ 917,505	\$ 28,241	\$ -	\$ 945,746
Improvements other than buildings	6,522	6,178	-	12,700
Furniture and equipment	1,633,221	94,328	24,873	1,702,676
Total accumulated depreciation	\$ 2,557,248	\$ 128,747	\$ 24,873	\$ 2,661,122
Total capital assets being depreciated, net	\$ 828,786	\$ 64,717	\$ 12,437	\$ 881,066
Governmental Activities Capital Assets, Net	\$ 891,292	\$ 64,717	\$ 12,437	\$ 943,572
Business type activities:				
Furniture and equipment	\$ 24,011	\$ -	\$ -	\$ 24,011
Less accumulated depreciation	12,990	2,001	-	14,991
Business Type Activities Capital Assets, Net	\$ 11,021	\$ -2,001	\$ -	\$ 9,020

Depreciation expense was charged to the following functions:

Governmental Activities:

Instruction:

Regular	\$	74,449
Special		2,869
Other		1,858

Support services:

Administration		4,869
Operation and maintenance of plant		6,021
Transportation		38,681

Total Depreciation Expense – Governmental Activities	\$	128,747
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Business Type Activities:

Food service operations	\$	2,001
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(6) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2009 are summarized as follows:

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Due Within One Year
Notes payable	\$ 62,944	\$ -	\$ 30,890	\$ 32,054	\$ 32,054
Early retirement	8,536	53,830	6,433	55,933	16,433
Total	\$ 71,480	\$ 53,830	\$ 37,323	\$ 87,987	\$ 48,487

Bus Loan

On August 29, 2007, the District borrowed \$62,944 from the Maynard Savings Bank to purchase a bus. The interest rate on the loan is 3.75%, with two annual payments of \$33,256.

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty and employees must have completed twenty-four years of continuous service to the District. Employees must complete an application, which is required to be approved by the Board of Education. Early retirement benefits paid during the year ended June 30, 2009 totaled \$6,433.

(7) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the District is required to contribute 6.35% of annual covered payroll for the years ended June 30, 2009, 2008 and 2007. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$104,399, \$95,294 and \$96,971, respectively, equal to the required contributions for each year.

(8) Risk Management

West Central Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$122,544 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) Commitments

The District has entered into a contract totaling \$31,069 for roof repairs which is to be completed in the next fiscal year.

Required Supplementary Information

West Central Community School District

**Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances –
Budget and Actual – All Governmental Funds and Proprietary Fund**

Required Supplementary Information

Year Ended June 30, 2009

	Governmental Funds Actual	Proprietary Fund Actual
Receipts:		
Local sources	\$ 2,063,572	\$ 88,589
Intermediate sources	-	-
State sources	1,487,707	1,620
Federal sources	119,538	57,118
Total Receipts	<u>\$ 3,670,817</u>	<u>\$ 147,327</u>
Disbursements:		
Instruction	\$ 2,152,931	\$ -
Support services	841,315	-
Non-instructional programs	-	157,346
Other expenditures	321,848	-
Total Disbursements	<u>\$ 3,316,094</u>	<u>\$ 157,346</u>
Excess (deficiency) of receipts over (under) disbursements	\$ 354,723	\$ -10,019
Balances beginning of year	<u>1,489,362</u>	<u>25,722</u>
Balances End of Year	<u>\$ 1,844,085</u>	<u>\$ 15,703</u>

See accompanying independent auditor's report.

	Total Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
\$	2,152,161	\$ 1,885,617	\$ 1,885,617	\$ 266,544
	-	-	-	-
	1,489,327	1,672,638	1,672,638	-183,311
	176,656	276,000	276,000	-99,344
\$	3,818,144	\$ 3,834,255	\$ 3,834,255	\$ -16,111
\$	2,152,931	\$ 3,407,541	\$ 2,782,541	\$ 629,610
	841,315	1,151,620	1,151,620	310,305
	157,346	-	250,000	92,654
	321,848	124,410	499,410	177,562
\$	3,473,440	\$ 4,683,571	\$ 4,683,571	\$ 1,210,131
\$	344,704	\$ -849,316	\$ -849,316	\$ 1,194,020
	1,515,084	1,517,058	1,517,058	-1,974
\$	1,859,788	\$ 667,742	\$ 667,742	\$ 1,192,046

West Central Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2009

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

Other Supplementary Information

West Central Community School District

**Combining Balance Sheet
Non-Major Special Revenue Funds**

June 30, 2009

	Management Levy
Assets	
Cash and pooled investments	\$ 134,261
Receivables:	
Property Tax:	
Delinquent	1,452
Succeeding year	135,000
Accounts	161
Due from other governments	-
Total Assets	\$ 270,874
Liabilities and Fund Equity	
Liabilities:	
Accounts payable	\$ -
Deferred Revenue:	
Succeeding year property tax	135,000
Other	-
Total Liabilities	\$ 135,000
Fund Equity:	
Unreserved fund balances	\$ 135,874
Total Liabilities and Fund Equity	\$ 270,874

See accompanying independent auditor's report.

Student Activity	Physical Plant and Equipment Levy	Total
\$ 65,057	\$ 258,593	\$ 457,911
-	1,586	3,038
-	115,685	250,685
-	-	161
-	32,824	32,824
\$ 65,057	\$ 408,688	\$ 744,619
\$ 167	\$ -	\$ 167
-	115,685	250,685
-	32,824	32,824
\$ 167	\$ 148,509	\$ 283,676
\$ 64,890	\$ 260,179	\$ 460,943
\$ 65,057	\$ 408,688	\$ 744,619

West Central Community School District
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds

Year Ended June 30, 2009

	<u>Management Levy</u>
Revenues:	
Local sources:	
Local tax	\$ 101,169
Other	1,929
State sources	52
Total Revenues	<u>\$ 103,150</u>
Expenditures:	
Current:	
Instruction:	
Regular instruction	\$ 11,287
Other instruction	-
Support services:	
Student services	20,528
Instructional staff services	7,514
Operation and maintenance of plant services	28,824
Transportation services	7,113
Other expenditures:	
Facilities acquisition	-
Principal	-
Interest	-
Total Expenditures	<u>\$ 75,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 27,884</u>
Other financing sources (uses):	
Operating transfers in (out)	<u>\$ -</u>
Excess (deficiency) over revenues and other financing sources over (under) expenditures and other financing uses	\$ 27,884
Fund balances beginning of year	<u>107,990</u>
Fund Balances End of Year	<u>\$ 135,874</u>

See accompanying independent auditor's report

Special Revenue				
Student Activity	Physical Plant and Equipment Levy	Debt Service	Total	
\$ -	\$ 143,627	\$ -	\$	244,796
91,169	18,433	-		111,531
-	59	-		111
\$ 91,169	\$ 162,119	\$ -	\$	356,438
\$ -	\$ -	\$ -	\$	11,287
89,065	-	-		89,065
-	27,396	-		47,924
-	-	-		7,514
-	11,150	-		39,974
-	15,981	-		23,094
-	40,327	-		40,327
-	-	30,890		30,890
-	-	2,367		2,367
\$ 89,065	\$ 94,854	\$ 33,257	\$	292,442
\$ 2,104	\$ 67,265	\$ -33,257	\$	63,996
\$ -	\$ -33,257	\$ 33,257	\$	-
\$ 2,104	\$ 34,008	\$ -	\$	63,996
62,786	226,171	-		396,947
\$ 64,890	\$ 260,179	\$ -	\$	460,943

West Central Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2009

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra- Fund Transfers	Balance End of Year
Potpourri/Pepsi Funds	\$ 1,652	\$ 1,234	\$ 1,634	\$ 500	\$ 1,752
Yearbook	762	7,153	6,724	-	1,191
Student Council	2,311	1,046	2,128	-	1,229
Industrial Arts Club	798	966	1,119	-	645
Spanish Club	6,489	1,529	1,010	-	7,008
Senior Class	835	283	4,271	3,251	98
Junior Class	3,645	4,703	2,714	-1,668	3,966
Sophomore Class	2,082	266	-	59	2,407
Freshman Class	2,141	281	-	223	2,645
8 th Grade	2,364	785	-	87	3,236
7 th Grade	2,452	745	-	-770	2,427
6 th Grade	1,682	866	-	-1,682	866
Dramatics	313	1,761	584	-	1,490
Vocal Music	2,608	6,395	4,796	-	4,207
Instrumental Music	4,557	9,405	8,422	-	5,540
Athletics/Cheerleaders	1,704	29,054	28,418	-	2,340
Musical/Concert	4,631	710	1,717	-	3,624
Resale	1,540	8,416	8,288	-	1,668
Student Sales	1,863	5,679	5,679	-	1,863
School Store	3,943	5,644	6,377	-	3,210
Nice	14,414	4,248	5,184	-	13,478
Total	\$ 62,786	\$ 91,169	\$ 89,065	\$ -	\$ 64,890

West Central Community School District
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Six Years

	Modified Accrual Basis		
	2009	2008	2007
Revenues:			
Local Sources:			
Local tax	\$ 1,700,374	\$ 1,664,476	\$ 1,682,478
Tuition	169,811	143,381	151,282
Other	193,387	216,854	196,830
Intermediate sources	-	-	-
State sources	1,487,707	1,453,179	1,357,074
Federal sources	119,538	88,053	266,627
Total	<u>\$ 3,670,817</u>	<u>\$ 3,565,943</u>	<u>\$ 3,654,291</u>
Expenditures:			
Instruction:			
Regular instruction	\$ 1,340,501	\$ 1,406,353	\$ 1,413,620
Special instruction	340,509	355,209	315,070
Other instruction	471,921	346,482	378,970
Support services:			
Student services	56,209	86,167	97,900
Instructional staff services	82,881	66,455	68,587
Administration services	344,019	390,760	381,383
Operation and maintenance of plant services	234,354	259,656	240,501
Transportation services	123,852	184,763	118,284
Other expenditures:			
Facilities acquisition	166,047	126,035	56,902
Long-term debt:			
Principal	30,890	27,556	26,571
Interest and other charges	2,367	1,036	2,024
AEA flow-through	122,544	121,513	113,415
Other	-	-	-
Total	<u>\$ 3,316,094</u>	<u>\$ 3,371,985</u>	<u>\$ 3,213,227</u>

See accompanying independent auditor's report.

Modified Accrual Basis		
2006	2005	2004
\$ 1,603,994	\$ 1,566,663	\$ 1,541,666
105,135	123,884	94,614
173,203	160,173	139,862
-	-	-
1,262,051	1,208,978	1,129,526
347,091	132,515	124,120
<u>\$ 3,491,474</u>	<u>\$ 3,192,213</u>	<u>\$ 3,029,788</u>

\$ 1,325,824	\$ 1,274,530	\$ 1,284,799
287,561	312,201	443,725
371,405	334,254	226,936
85,290	62,575	15,971
81,900	26,920	38,471
463,644	370,212	362,137
252,904	218,514	221,229
214,689	99,812	82,537
243,209	171,727	138,813
-	45,700	92,140
-	2,171	2,770
105,970	103,247	103,304
-	934	-
<u>\$ 3,432,396</u>	<u>\$ 3,022,797</u>	<u>\$ 3,012,832</u>

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

To the Board of Education of
West Central Community School District:

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Central Community School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued my report thereon dated January 25, 2010. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered West Central Community School District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part I of the accompanying Schedule of Findings.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies and other deficiencies I consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects West Central Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of West Central Community School District's financial statements that is more inconsequential will not be prevented or detected by West Central Community School District's internal control. I consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by West Central Community School District's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, I believe item I-A-09 is a material weakness.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether West Central Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

West Central Community School District's responses to findings identified in my audit are described in the accompanying Schedule of Findings. While I have expressed my conclusions on the District's responses, I did not audit West Central Community School District's responses and, accordingly, I express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of West Central Community School District and other parties to whom West Central Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of West Central Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.



Keith Oltrogge
Certified Public Accountant

January 25, 2010

West Central Community School District

Schedule of Findings

Year Ended June 30, 2009

Part I – Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

- I-A-09 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Cash receipts are issued and bank deposits are prepared by the same person. An independent person does not open the mail and prepare an initial listing of the checks received and later compare the listing to the receipts issued. Also, vouchers are processed, disbursements are recorded, and checks are prepared by the same person.

Recommendation – I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances.

Response – We will continue to review our procedures and implement additional controls where possible.

Conclusion – Response accepted.

- I-B-09 Annual Financial Statements – The ability to apply generally accepted accounting principles to the financial statements and determine the sufficiency of the footnote disclosure is a necessary aspect of internal control over the District financial reporting process. The District does not possess an individual with the appropriate expertise to apply generally accepted accounting principles to the financial statements and to draft and determine the sufficiency of the necessary disclosures. The District has a limited number of employees and it is not cost beneficial to employ an individual with this type of expertise and knowledge. The internal financial statements prepared by the District are not prepared in accordance with generally accepted accounting principles and do not contain the required footnote disclosures.

Recommendation – This is common control deficiency of most small Districts and is often not corrected due to cost benefit considerations. I could assist you in gaining the necessary knowledge and skills if you determine that this is a control deficiency that the District would like to address.

Response – We will consult with you as needed on financial statement considerations.

Conclusions – Response accepted.

West Central Community School District

Schedule of Findings

Year Ended June 30, 2009

Part II - Other Findings Related to Statutory Reporting:

- II-A-09 Certified Budget – Expenditures for the year ended June 30, 2009 did not exceed the certified budget.
- II-B-09 Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- II-C-09 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- II-D-09 Business Transactions – No business transactions between the District and District officials or employees were noted.
- II-E-09 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
- II-F-09 Board Minutes – The minutes record was examined and appeared to give a condensed account of business transactions by the Board. No transactions requiring Board approval which had not been approved by the Board were noted.
- II-G-09 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- II-H-09 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- II-I-09 Certified Annual Report – The Certified Annual Report was filed with the Iowa Department of Education timely.
- II-J-09 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- II-K-09 Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and service tax. For the year ended June 30, 2009, the District's financial activity and other required information for the statewide sales and services tax are as follows:

Beginning balance	\$	-
Statewide sales and services tax revenue		188,430
Expenditures/transfers out:		
School infrastructure:		
Other improvement	\$	125,720
		<u>125,720</u>
Ending balance	\$	<u>62,710</u>